

**Letter to District Counsel or Chief Counsel Where
Payment is Due the United States Pursuant to Settlement**

Re:

Your ref:

Dear Mr./Mrs./Miss/Ms. (Name):

There is enclosed a copy of our letter of this date advising the [proponent] [United States Attorney] of the acceptance of the offer to compromise [the above-entitled case(s)] [the Internal Revenue Service's claim asserted in the above-entitled case(s)] [against _____ for [_____ tax(es)] for the period(s) _____) § 6672 penalty with respect to (name of corporation) _____] for the period(s) _____] [against (describe the particular fund or property which is the subject of the settlement) _____]. The terms of settlement are set forth in our letter to the [proponent] [United States Attorney].

You are hereby authorized and directed to take appropriate action to reflect the settlement of this matter in your records and to carry out its terms [, including, at the appropriate time, [the release of the lien(s) against (name of taxpayer) _____ for the tax(es) [penalty] at issue in this case] [the discharge of (describe fund or property involved) _____ from the lien(s) against (name of taxpayer) _____ for the [tax(es)] [penalty] at issue in this case]. */

[(This office) (The United States Attorney) will be responsible for collecting and monitoring the receipt of the (lump sum) (initial) (and) (installment) payment(s) called for under the settlement and will direct deposit the payment(s) for transfer to the Internal Revenue Service account.] [Payments due under the collateral agreement will be sent directly to Special Procedures.] [The taxpayer has been directed to send all installment payments after the first installment payment [and payments due under the collateral agreement] directly to Special Procedures.] [A copy of our letter advising Special Procedures of the settlement is enclosed.]

*/ A lien should be released only when the tax liability is going to be totally extinguished as the result of the settlement. On the other hand, property should be discharged from the lien when the lien will no longer attach to that property as the result of the settlement, but will otherwise remain in full force and effect.

[This offer, copies of which are enclosed, was not submitted for your views inasmuch as by letter dated _____, you (reclassified) (referred) this matter under the settlement option procedure.]

The administrative file(s) [(is) (are) returned herewith] [(has) (have) been forwarded to Special Procedures].

Sincerely yours,

[NAME OF ASSISTANT ATTORNEY GENERAL]
Assistant Attorney General
Tax Division

By:

[NAME OF CHIEF OF SECTION]
Chief, _____ Section
_____Region

Enclosures

cc: Special Procedures